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Chairman: Mr. Macedo ..... (Mexico)

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The meeting was called to order at 10.10 a.m.

Agenda item 83: United Nations Relief and Works Agency for Palestine Refugees in the Near East
(A/53/13; A/53/471, 472, 518 and Corr.1, 551, 569 and 644)

1. **Mr. Hansen** (Commissioner-General, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)), introducing the Agency's annual report (A/53/13), said that, for nearly five decades, UNRWA had been dealing with the problems of the Palestinian people, sharing in their misfortunes and on rare occasions, in their rejoicing. UNRWA had provided education, health care, relief and social services to some 3.5 million Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. The Agency had also directly or indirectly contributed to improving socio-economic conditions in refugee communities. It had built an infrastructure of over 900 facilities and installations through which services were provided. UNRWA had supported Palestinian human resources development even before that concept had become generally accepted, training teachers, doctors, engineers and administrators.

2. The review period had been marked throughout by a lack of progress in the Middle East peace process, with resulting tension and frustration among Palestine refugees. UNRWA had therefore welcomed with relief the signing of the Wye River Memorandum, and hoped that its implementation would be smooth. Courage was required on both sides to put an end to the cycles of violence. Despite all the difficulties and problems, there was no alternative to peace.

3. In general, living standards in refugee communities remained poor, characterized in some areas by high unemployment, falling household income, overburdened infrastructure and restrictions on employment and mobility.

4. In Jordan, where 1.4 million registered Palestine refugees lived, the host Government spent some $300 million annually on services for refugees, an amount almost equivalent to the Agency's total cash budget. In that context, the difference between host countries and donor countries was purely theoretical. Jordan was the largest host country and the largest donor in terms of resources allocated to meet the needs of refugees. Refugees in Jordan were the best off, and UNRWA was grateful to the Jordanian authorities not only for their direct support to the refugees, which relieved some of the Agency's burden, but also for their constant readiness to provide all kinds of assistance.

5. The 365,000 registered Palestine refugees in Lebanon continued to suffer from extremely poor living conditions, and the situation was exacerbated by an unemployment rate of approximately 40 per cent and restrictions on mobility and economic activity. Over the past two decades, many refugees had suffered multiple displacement. The Agency's ability to meet the needs of the refugees was limited by scarce resources. In 1997, an appeal had been made to donors to finance emergency and mid-term needs that could not be covered from the regular budget. The donors had responded generously with nearly $10 million.

6. The Agency was grateful to the authorities of the Syrian Arab Republic for their support for 365,000 Palestine refugees and for their cooperation in solving a number of problems.

7. In the West Bank, 30 per cent of the population was refugees; in the Gaza Strip, refugees accounted for nearly three quarters of the population. The institutions, structures and services belonging to the Palestinian Authority were, however, separate from those of UNRWA and catered to non-refugees. The Palestinian Authority and UNRWA had different and distinct roles. Resources for Palestine refugees were transferred from UNRWA and not by any other vector. It should be noted that, while the international community focused on capital flows into the West Bank and the Gaza Strip, the majority of Palestine refugees — over 60 per cent — resided in the Agency's other three fields of operation.

8. Relations between UNRWA and the Palestinian Authority and Palestine Liberation Organization continued to be close at all levels, and it was to be hoped that the pending problem of value added tax reimbursement — currently amounting to almost $20 million — to the Agency by the Authority would soon be resolved.

9. Restriction of the freedom of movement of UNRWA Palestinian staff continued to be a problem as a result of procedures imposed by Israeli authorities, on security grounds, to regulate entry into and exit from the West Bank and the Gaza Strip; that had disrupted operations. That situation was exacerbated by full and internal closures. Despite such problems, UNRWA operations had continued, often thanks to the ingenuity of its staff.

10. The United Nations and the international community could be proud of the Agency's achievements in a number of areas. In the area of education, UNRWA had helped to keep the Palestinian cultural identity alive. Education for all had been achieved prior to the target date, and over 50 per cent of the pupils in Agency schools were girls. In the area of health, a number of goals had been reached ahead of the

target dates set by the World Health Organization (WHO); for example, infant mortality had been reduced and a number of communicable diseases had been eradicated. In the area of social services, UNRWA had been the first to set up a network of community centres, which had become largely self-sustaining. The Agency's income-generation programme was the largest private credit scheme in the Gaza Strip. Those achievements should not give the impression that Palestine refugees were dependent on welfare; on the contrary, they were active in implementing community projects, often running their own community centres and schools, and well-off Palestinians fully financed or subsidized a number of activities in the region.

11. On the other hand, it would be wrong to assume that all was well. UNRWA was in its fifth consecutive year of declining income and increasing needs. The real state of affairs was illustrated by the data on UNRWA expenditure per refugee, contained in the annex to document A/53/569. The Agency had had to maintain the austerity measures originally introduced in 1993 on a temporary basis. Its working capital had been reduced to some $400,000, which was less than the cost of one day of operations. The budget deficit for the current year was expected to be $62 million. Three out of four of the Agency's schools were consequently operating on two shifts; there were insufficient resources to recruit teachers and there were up to 50 pupils in one class. The Agency was no longer able to meet a number of needs in the area of health care and it was not spending enough to maintain its crumbling physical infrastructure. The consequences of that state of affairs would be more difficult and costlier to rectify in the long term.

12. The Agency, the largest single employer in the region outside the State sector, was in danger of losing its hard-earned reputation. The Agency's 22,000 staff, who had themselves been appointed from among Palestine refugees, were rightly protesting their living and working conditions. In the current year, the Agency had been unable to finance the allocation it normally set up as a salary reserve for financing pay increases; nor had it been able to start placing monies in a termination fund. UNRWA had had to offer lower pay scales to new teachers; the other option would have been to freeze school enrolment, which would have been disastrous. The staff was understandably upset and frustrated. They had threatened to call an open-ended strike as of the end of September. While they had been persuaded to cancel that measure, funds would somehow have to be found to satisfy their demands.

13. The international community must join forces to place the Agency back on a sound financial footing. Working capital must be brought up to a level of $20 to $25 million in order to enable UNRWA to meet at least one month's cash needs.

14. For generations of Palestine refugees, UNRWA had been a concrete symbol of the international community's support and involvement in resolving their problem. The refugees saw any diminution in UNRWA services, whether in quality or quantity, as a decrease in international support. They read a political objective into the Agency's financial deficit. As the time neared for final status talks, under which the refugee issue would be discussed, it was more important than ever to make UNRWA financially viable again.

15. In the area of management, the Agency had made significant progress based on the principles of transparency, strategic planning, a smaller headquarters, greater decentralization and improved efficiency. A policy analysis group had been established in order to further rationalize work. Concerted efforts had been made to develop a new budget preparation process and format with emphasis on programmes and results. Additional efforts were needed to improve working conditions for international staff. Exchanges of views between donor countries and host countries were increasing. In that connection, he invited all interested parties to submit proposals on ways of improving UNRWA activities.

16. The Agency's current mandate would expire in June 1999. In view of the important role UNRWA continued to play in the region, he hoped that its mandate would be renewed for another term. He thanked the international community for its moral and political support, which was as important as its financial contributions.

17. **Mr. Aass** (Norway), speaking as Rapporteur of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, said that the Agency had ended the 1997 financial year with a deficit of $1.9 million in its cash budget and a budget deficit of $61.5 million.

18. The measures taken by the Agency to get through 1997, including maintaining previously imposed austerity measures and introducing new ones, meant that some activities provided for in the budget had once again not been fully implemented. The successive shortfalls in funding in recent years had led to a further depletion of "working capital" reserves.

19. The Agency had begun 1998 with depleted working capital, low cash balances and no indication of a significant increase in overall income. The Agency had been obliged to carry forward all austerity measures previously

implemented, including those announced in August 1997 and not rescinded.

20. The Working Group was concerned about the financial prospects of UNRWA, particularly after five years of austerity measures, which had eroded the level and quality of the services provided by the Agency to 3.5 million Palestine refugees. It was the responsibility of the international community to ensure the maintenance of UNRWA services at acceptable levels, in terms of quantity and quality, as defined by the needs of the refugee community, and to ensure that service levels kept pace with the steady natural growth of the refugee population.

21. The Working Group expressed alarm at the continuing negative effects of five years of austerity measures. Those measures had prevented programmes from expanding at a rate commensurate with the growth in the refugee population, necessitated curtailments in programmes and precluded certain actions that would normally be part of the Agency's regular programme activities.

22. The Working Group was gravely concerned at the impact of the austerity measures on the lives of Palestine refugees, particularly in the areas of education and health. The Group feared that additional austerity cuts could cause severe social and economic hardship to an already suffering refugee population, and that that would put an increased burden on the authorities hosting the refugees.

23. The problems currently faced by the refugees were humanitarian ones that must be addressed as a shared international responsibility. The services provided by UNRWA must be seen as the minimum required to enable the refugees to lead decent human lives. Any further reduction in those services would not only unfairly deprive the refugees of the minimum level of support to which they were entitled, but could also have a destabilizing effect on the entire region.

24. The Working Group strongly urged those Governments that had not yet contributed to UNRWA to start to do so; urged those Governments that had so far made only relatively small contributions to increase their contributions; urged those Governments that in the past had made generous contributions to UNRWA to continue to do so in a timely manner and to strive to increase them; and urged those Governments that traditionally had shown special interest in the welfare of the Palestine refugees, both in the region and beyond, to begin contributing or to increase their contributions. The Working Group urged Governments to consider making special contributions sufficient to cover the deficit so that UNRWA services could continue uninterrupted and the Agency could restore services cut as a result of the austerity measures, and to ensure that donor support of emergency-related and special programmes or capital projects did not in any way decrease or divert contributions to the Agency's regular programmes.

25. **Mr. Al-Kidwa** (Observer for Palestine) said that, in the decades since its establishment, UNRWA had played a crucial and historical role in halting the further deterioration of the situation of Palestine refugees and had greatly assisted them by providing the necessary relief, health care, education and social services. The severe financial difficulties faced by the Agency were of grave concern. The continuing and widening gap between the financial resources available to UNRWA and the needs of the 3.5 million Palestine refugees was a serious dilemma fraught with both short-term and potentially grave long-term negative consequences. Once again, the financial problems and deficit being experienced by UNRWA had led to the implementation of austerity measures and a reduction in the level of services during the past reporting period, which had increased the already heavy burden on needy refugee families.

26. UNRWA should continue its work in all fields of operation until a definitive solution to the refugee problem was reached and the relevant United Nations resolutions were implemented. His delegation opposed any decrease in UNRWA services for humanitarian reasons and also because of the negative political meaning that that would convey to the Palestine refugees. The Agency should not be forced to operate solely on the basis of availability of funds. Its services and programmes must meet existing needs.

27. The grave deterioration of the situation on the ground, as a result of the protracted deadlock in the peace process and the policies and practices of the occupying Power, served as a reminder of continuing and urgent needs. The deterioration over the past reporting period had resulted in a worsening of daily life of the Palestinian people, with despair and frustration most prevalent among the Palestine refugee population in the Occupied Palestinian Territory, including Jerusalem. The refugees continued to face severe socio-economic hardships, including very high unemployment, a decline in household income, an overburdened infrastructure and deplorable living conditions. The Agency's services were essential in helping in many ways to alleviate those hardships.

28. Unfortunately, the operations of UNRWA in the Occupied Palestinian Territory continued to be obstructed by measures imposed by the Israeli authorities, such as closures, which had restricted the movement of UNRWA staff and vehicles and affected the provision of services to

the Palestine refugees. The Agency must be allowed to carry out its mandate without such constraints and problems.

29. It remained extremely important for UNRWA to be able to continue its programmes and services in all fields of operation, namely in Jordan, Lebanon and the Syrian Arab Republic.

30. His delegation urged donors to continue to contribute to UNRWA and, if possible, to increase those contributions with a view to alleviating the serious financial difficulties being faced by the Agency and enabling it to maintain the needed level of services without disruption.

31. **Mr. Abu-Nimah** (Jordan) said that the question of Palestine lay at the heart of the Arab-Israeli conflict. The solution of the refugee problem was the crux of a future peaceful settlement, which was essential for achieving a comprehensive and just peace on the basis of the relevant resolutions.

32. The continuing refugee problem destabilized the region. The inalienable and legitimate rights of the refugees received special emphasis in the peace accord between Israel and Jordan. A solution of the question was one of the main elements of a comprehensive peace settlement. His delegation was concerned that no real progress had yet been made in bilateral and multilateral negotiations.

33. The Agency's role was humanitarian. As long as the conditions that had led to the establishment of UNRWA persisted, its presence in the region would continue to be of fundamental importance. Moreover, as long as the refugee problem remained unresolved, the Agency's presence was absolutely vital for providing services to the refugees. The provision of services depended on the allocation of necessary resources, which must reflect the annual 5 per cent increase in the refugee population.

34. Jordan attached great importance to the continuation of the Agency's work. As host to the largest number of refugees, Jordan was more affected than other countries by the tragedy of the Palestinian people. Jordan had received more than 41 per cent of the 3.5 million Palestine refugees registered by the Agency. During the period covered by the report of the Commissioner-General of UNRWA (A/53/13), the Government of Jordan had allocated significant resources to cover the costs of education, leasing of premises, improvement of public utilities, payment of subsidies, and provision of rations and social and health-care services.

35. Jordan's policy targeted the humanitarian dimensions of the refugee problem and focused on satisfying the basic everyday needs of the refugees and on furthering their political and legal rights to return or compensation in accordance with the relevant resolutions.

36. The Agency's political and financial situation during the reporting period continued to threaten its work owing to the persisting gap between planned budgetary expenditure and the Agency's actual income. Further austerity measures and a reduction in expenditure would be necessary since the Agency's budgetary deficit currently amounted to $61 million. That had a negative impact on the quantity and quality of services that were provided to Palestine refugees. Insufficient financial resources prevented the expansion of services to meet increasing needs in such areas as education, health care and social services.

37. The refugees' negative reaction to the announcement of austerity measures in 1997 had revealed the humanitarian and political dimensions of the problem. The introduction of austerity measures was being seen as a refusal on the part of the international community to play its traditional humanitarian role in assisting refugees, and as a curtailment of the Agency's efforts to solve the refugee problem, especially in view of the critical state of the peace process and the absence of progress towards a settlement of many unresolved issues, including the refugee problem. The Agency must continue to receive the necessary support in order to enable it to improve the quality of its services. It was also necessary to expand the list of donor countries and provide maximum financial support for the Agency's humanitarian activities.

38. The Agency's financial crisis was undermining its efforts to improve the lives of the refugees and lessen their suffering. All forms of support should be provided to the Agency in order to enable it to regain a sound financial footing.

39. Any unfulfilled commitment by the international community adversely affected the situation in the region, and any attempt to change the priorities of the Agency's activities and its programme of services should not be permitted. The services provided by UNRWA, particularly in the areas of health and education, and in the social and humanitarian fields, were essential and must not be changed or reduced.

40. **Mr. Chowdhury** (Bangladesh) said that Bangladesh fully supported and attached particular importance to the activities of the Agency, which had assumed responsibility for looking after the well-being of 3.5 million Palestine refugees.

41. In his report (A/53/13), the Commissioner-General of UNRWA had provided a comprehensive profile of the

Agency's activities over the past year, and he deserved a special word of appreciation. In that connection, Bangladesh hoped that the investigation of the allegation of corruption in field offices would be completed as soon as possible.

42. In his report, the Commissioner-General had emphasized that funding shortfalls in the regular budget continued to have a negative impact on the Agency's activities, thereby jeopardizing the well-being of the Palestine refugees. As a result, the Agency had had to maintain its austerity measures. Bangladesh was concerned that the Agency's financial crisis had necessitated a rescheduling of some of its basic activities in the fields of health and education, which had exacerbated the already difficult situation of the Palestine refugees. Financial support from donors had enabled UNRWA to bring services in those areas up to their previous level. His delegation urged the international community to be more responsive to the needs of the Agency and to its clients, and to pay their pledged contributions in a timely manner.

43. The Peace Implementation Programme, under which 332 projects had been carried out since 1993, deserved encouragement, since it contributed to the quality of life of the Palestinians. UNRWA should maintain the focus of the programme, paying particular attention to the promotion of a "culture of peace".

44. The Agency's assistance to Palestine refugees helped to improve their socio-economic situation and contributed to stability in the region. His delegation was pleased that UNRWA had, despite its financial crisis, continued its efforts to ensure community participation in various activities, such as health care and education. Bangladesh attached great importance to the role of UNRWA in that regard and urged the Agency to place greater emphasis on human resources development. UNRWA was also to be commended for economically empowering the refugees through its establishment of a micro-enterprise credit programme. Bangladesh was prepared to share its own experience in that area.

45. The signing of the Wye River Memorandum would bring fresh hope to the refugees in the region; however, progress in the peace process should not automatically result in a scaling down of UNRWA activities. Services should be maintained at their current level until the refugee problem was fully resolved.

46. Bangladesh was seriously concerned that the Agency's operations had been obstructed during the reporting period on the pretext of ensuring its security. In that connection, his delegation called upon all parties concerned to honour their commitments and not to allow so-called security needs to compromise the well-being of the refugees.

47. In conclusion, Bangladesh extended its full support to UNRWA and its operations, which should continue without any reduction, since any curtailment of its activities would be detrimental to the Palestine refugees, and it supported the renewal of the Agency's mandate.

48. **Mr. Abdelaziz** (Egypt) said that, in any discussion of the current agenda item, Egypt was always keen to assert that the Palestine refugees had inalienable rights, which had been reaffirmed in General Assembly resolution 194 (III), and which included the right to return to their homes and property, or the right to compensation if they chose not to return.

49. UNRWA played an important role in preventing a humanitarian catastrophe among the Palestine refugees, who currently numbered 3.5 million persons. All the parties that were striving to achieve a lasting, just and comprehensive peace in the Middle East and a comprehensive settlement of the Palestinian question in all its aspects were aware of the vital importance of the services that UNRWA provided to the Palestinian people in all areas. Those services were increasing in importance during the current transitional period, and would continue to be vital until the conclusion of the final status negotiations.

50. In that regard, his delegation was becoming increasingly concerned at the continued precariousness of the Agency's financial situation, which the Commissioner-General had referred to more than once in his report, particularly in paragraph 4. The Agency's budget deficit adversely affected its ability to provide services to Palestine refugees; that situation must not be allowed to continue. Peace was still far from being achieved, and the final status negotiations had not yet begun. The Palestinians' needs emanated from the responsibilities of self-rule on the one hand, and the oppressive measures imposed by the Israeli authorities, on the other. It was imperative that the international community, especially the major donors, whether they were States or financial institutions, should not abandon the Palestinian people in such a difficult economic, political and social situation.

51. Proceeding from its historical responsibility to support the Palestinian question, Egypt assisted its Palestinian brethren to the best of its ability. Egypt also encouraged other States that were able to do so to provide voluntary contributions to meet the needs of the Palestine refugees, not only on a bilateral basis but also through international institutions operating in the Palestinian territories. UNRWA

was at the forefront of those institutions, and its valuable expertise was recognized by all.

52. Meeting the needs of the Palestine refugees, providing the necessary services and a minimum standard of living would have a positive impact commensurate to the level of their support for the peace process. The alternative, depriving the refugees of basic services and ignoring their problems in so crucial a period (not through shortcomings of the Agency or its staff but because of cuts in its resources), would weaken Palestinian support and cause many Palestinians to fall prey to extremism and violence. In that regard, his delegation drew attention to the adverse impact of Israeli policies of closure and frequent collective punishment, which had been mentioned in the Commissioner-General's report.

53. **Mr. Mekdad** (Syrian Arab Republic) said that, unfortunately, there was still no reason for optimism regarding settlement of the Palestine refugee problem, which had existed for over half a century. It was clear that the Israeli Government was continuing its policy of disregarding the rights of the Palestine refugees and had used various means to force them to leave their ancestral lands. In gross violation of the provisions of international human rights instruments, Israel had announced that it would not permit the refugees to return to their homes.

54. Like all other refugees, the Palestine refugees had an inalienable right to their homes and property, a right that the General Assembly had reaffirmed every year since the adoption of its resolution 194 (III) of 11 December 1948. Failure to recognize the threats to the stability of the region caused by the refugee problem ran counter to the efforts to achieve a just and comprehensive settlement of the Middle East question. The international community should not lose sight of the Palestine refugee issue, since that would exacerbate the desperation and suffering of millions of people.

55. It was evident that the current Israeli Government was attempting to obstruct the peace process by failing to fulfil its commitments and to increase tension and provoke a new wave of violence by building new settlements in violation of the relevant United Nations resolutions.

56. The Commissioner-General of UNRWA and his staff should be commended for their considerable efforts to provide needed services to the Palestine refugees with a view to improving their socio-economic situation. His delegation welcomed the detailed information provided in the Commissioner-General's report (A/53/13), particularly with regard to the difficulties faced by the Agency in its work.

57. The Syrian Arab Republic was concerned that UNRWA per capita expenditure on refugees had fallen 29 per cent over the past 40 years. As was apparent from the report, that tendency had continued over the past year, which was particularly distressing in the light of the 27 per cent increase in the refugee population. In his report, the Commissioner-General indicated that the Agency had been on the point of bankruptcy in the first few months of its mandate. That had occurred after the holding of major United Nations conferences at which the need to reduce the burden on refugees, including Palestinians, had been emphasized.

58. As a host country, the Syrian Arab Republic was doing a great deal to relieve the plight of refugees and the Syrian Government's substantial outlays for that purpose exceeded contributions from donor countries. With reference to paragraph 20 of the report, his delegation commended the Commissioner-General's efforts to improve the quality of services provided to Palestine refugees in the Syrian Arab Republic.

59. Assisting Palestine refugees was a humanitarian task that required international efforts. Pursuant to General Assembly resolution 194 (III), UNRWA should continue its operations until the refugee question was settled. His delegation thanked the donor countries for their moral and material support for efforts to alleviate the situation of the Palestine refugees, and called upon those countries to increase their contributions in proportion to the growth in the refugee population in order to enable the Agency to overcome its financial crisis.

60. Any reduction in UNRWA services to Palestine refugees was inadmissible. Assistance in kind should not be a substitute for cash contributions. The Agency must not shift the burden of its financial problems to the refugees or their host countries.

61. His delegation hoped that the international community would one day implement the United Nations resolutions and enable the Palestine refugees to return to their homes, thereby rendering unnecessary the work of UNRWA. In keeping with the provisions of the Madrid agreements, the Syrian Arab Republic would continue to strive for a just and comprehensive peace in the Middle East, which would enable the Palestine refugees to exercise their right to return to their homeland.

62. **Ms. Proidl** (Austria), speaking on behalf of the European Union, said that Bulgaria, Estonia, Hungary, Lithuania, Poland, Romania and Slovakia, and the associated country Cyprus, aligned themselves with her statement. The important and wide-ranging activities of UNRWA in the

interests of 3.5 million Palestine refugees was an essential contribution to stability in the region and contributed to the Middle East peace process. Over the reporting period, the Agency's operations had been carried out against the backdrop of the impasse in the Middle East peace process. The Agency's staff should be thanked for their determination and tireless efforts in spite of the manifold problems they had encountered.

63. The European Union shared the Commissioner-General's concern over the Agency's difficult financial situation, and was therefore pleased to note that the financial crisis had forced the Agency to reconsider its methods of operation with a view to finding means to fulfil its programme goals. UNRWA had made tangible progress in combating its ongoing deficit problem, while the reform effort initiated in the previous reporting period had continued to produce results. The Commissioner-General should continue his efforts to increase transparency and achieve greater cost-effectiveness of operations through new approaches to traditional programme activities, while maintaining the quality and level of UNRWA services.

64. Since 1972, the European Union had been providing assistance to Palestine refugees, supporting UNRWA programmes in the fields of education, health, relief and social programmes. Over the period from 1996 to 1998, the European Commission's contribution had been approximately $122 million, not including additional assistance from individual States members of the European Union and financial support provided by the European Commission for specific projects. The European Union was thus the Agency's largest donor, accounting for 45 per cent of total contributions in 1997.

65. As the fiftieth anniversary of the Agency's foundation approached, it should be recalled that UNRWA had been established to render temporary assistance, and its activities could not substitute for a political solution to the refugee problem. The European Union earnestly hoped that a political solution would be found as soon as possible and would be part of a comprehensive, just and lasting peace in the region, at which time the Agency's functions would be transferred to the Palestinian Authority.

66. The European Union welcomed the signing of the Wye River Memorandum, which had paved the way for an early resumption of the permanent status negotiations, as envisaged in the Oslo Accords, as well as the implementation of outstanding commitments under the Interim Agreement. The European Union remained deeply committed to the Middle East peace process and was determined to participate in all its aspects.

67. UNRWA activities in a wide range of areas were an important factor in the peace process, the significance of which could not be overestimated. It was the common responsibility of all Members of the United Nations to provide UNRWA with the necessary resources to carry out its functions until such time as a comprehensive, just and lasting political solution that had led to the presence of Palestine refugees in the Middle East was found.

68. **Mr. Osei** (Ghana) said that the root of the Palestine refugee problem was the unresolved question of establishing a truly independent Palestinian State. Ghana had long supported Palestinian aspirations for a statehood, and had been pleased to join the large majority of States that had voted in favour of General Assembly resolution 52/250 of 7 July 1998, which enhanced Palestinian participation in the work of the Assembly. Pending a peaceful resolution of the Palestinian problem, it was the moral responsibility of the international community to support UNRWA. The Agency's financial problems affected the quality and level of some essential services at a time when the refugee population was steadily increasing. The tireless efforts of UNRWA staff to maintain the basic operations of the Agency should be commended.

69. Ghana shared the opinion of the Commissioner-General of UNRWA that, in order to maintain for the functioning of the Agency, it was necessary to strengthen cooperation among all parties involved in providing assistance to Palestine refugees, namely UNRWA, donor countries and members of the international community.

70. In its report (A/53/569), the Working Group on the Financing of UNRWA had considered the Agency's financial crisis and had expressed the hope that the international support for UNRWA embodied in annual General Assembly resolutions should be translated into measures for ensuring the survival of the Agency on a secure financial basis. The delegation of Ghana endorsed that position and encouraged Governments to take account of the Working Group's recommendations concerning the level of contributions to UNRWA for 1999. His delegation reiterated the Working Group's appreciation of the progress UNRWA had made towards eliminating its structural deficit problem.

71. In conclusion, his delegation thanked the Government of the United States of America for facilitating the recently concluded talks between the heads of the Governments of Palestine and Israel, and urged all sides to honour the commitments of the Wye River Memorandum.

72. **Mr. Ahmad** (Malaysia) said that, for five decades, UNRWA had served as a beacon of hope for the Palestine refugees. However, the refugee problem would be resolved

only by a comprehensive peace settlement. In the meantime, UNRWA must continue to assist the Palestine refugees, and his delegation hoped that the Agency would be able to carry out its work without any interruption. In that regard, the information contained in the Commissioner-General's report on the interference of Israeli authorities in the Agency's operations was a cause for serious concern. The restrictions on movement imposed by the Israeli authorities, coupled with closures of the West Bank and the Gaza Strip, had not only affected the work of the Agency but also exacerbated the already difficult socio-economic situation of the Palestinian community.

73. His delegation welcomed the signing, on 23 October 1998 of the Wye River Memorandum. The implementation of the Memorandum would create an atmosphere of trust between the parties and enable them to move forward to the permanent status negotiations, of which the Palestine refugee issue was a part.

74. The serious budgetary and other constraints faced by UNRWA were a matter of deep concern. At the same time, his delegation appreciated the fact that, despite those constraints, the Agency remained fully committed to improving the socio-economic conditions of the 3.5 million Palestine refugees. The Agency's valiant efforts deserved the continued support of the international community. Malaysia would continue to contribute, within its means, to the work of the Agency.

75. **Mr. Kolby** (Norway) said that the strong attachment of the Norwegian Government to UNRWA was reflected by the fact that Norway had been and remained one of the major contributors to the Agency. Norway had increased its support to UNRWA in view of the fact that, since the beginning of the peace process in 1993, the Agency's role was as vital as ever.

76. The Commissioner-General's report (A/53/13) clearly highlighted the grave implications of the Agency's difficult financial situation and the urgent need for additional funding. A healthy financial situation within UNRWA was of vital importance not only to refugees and their host countries but also to the further development of the Middle East peace process. In the light of that situation, the Norwegian Government was very much concerned that some important donors had reduced their contributions, and that others were planning to do so. His delegation reiterated its appeal for an expansion of the donor base.

77. In recent weeks, the allegations of corruption against the UNRWA Lebanon field office had received considerable attention. The Norwegian Government was deeply concerned at those allegations and appreciated the Commissioner-General's swift response. Norway had been pleased to note that the report of the Office of Internal Oversight Services (OIOS) had concluded that the charges had little basis in reality. However, as stressed in the report, certain internal routines should be improved, and the Norwegian Government was willing to support the Agency in that regard. Norway appreciated and endorsed the efforts undertaken by the Commissioner-General and his staff with a view to improving the efficiency of UNRWA, and was confident that the conclusions of the OIOS report would be taken into consideration.

78. The Norwegian Government remained convinced that, in order for the peace process to succeed, it must yield positive results and have a perceptible impact on people's everyday lives. Continued international support for the political process must therefore be accompanied by substantial economic assistance, in particular to the Palestinian people. It was the shared responsibility of the international community to allow the Agency to carry out the commitments and roles that the international community had assigned to it.

79. **Archbishop Martino** (Observer for the Holy See) said that, for nearly 50 years, the Holy See had been working with UNRWA to assist the Palestinians through the Pontifical Mission for Palestine and other agencies of the Catholic Church. The Catholic Church provided assistance according to need, not creed.

80. When acts of violence led to closures, the system of military passes adversely affected the right to work, the distribution of agricultural products, and freedom of worship and served only to exacerbate the already tense situation. His delegation hoped that some of those injustices would be eliminated as a result of the signing of the Wye River Memorandum. It was the sincere wish of the Holy See that the seeds of a solution would not be crushed by extremism or terrorism. As had been noted at the meeting between the Latin Patriarch of Jerusalem and chief Sephardic and Ashkenazic rabbis, the differences between Israelis and Palestinians should be settled not by violence but by negotiation.

81. His delegation urged the international community to support the authors of the Wye River Memorandum. The people of Israel would be secure only when the rights of the Palestinians to freedom of religion, education, health care and employment were guaranteed.

82. With regard to the status of the City of Jerusalem, he drew attention to paragraph 11 of General Assembly resolution S-10/2. In connection with the adoption of that resolution, the Holy See had appealed to the international

community to avoid irreversible decisions that might jeopardize the future of Jerusalem and deprive it of its ecumenical character, which made it the property of all mankind.

83. At the Catholic Symposium of 26 October 1998, the Secretary of the Holy See, speaking on the subject of statehood, said that the Holy See considered it inadmissible to make a distinction between the "question of the Holy Places" and the "question of Jerusalem", since the Holy Places were inseparably linked with their surroundings. The Secretary of the Holy See had noted that, although the Holy See was primarily interested in the religious aspects of the City, it was also concerned with political, economic and other aspects, inasmuch as they had a moral dimension.

84. In his address to diplomats on 10 January 1998, Pope John Paul II had said that, as the two-thousandth anniversary of the birth of Christ approached, he prayed daily that Jerusalem, together with Bethlehem and Nazareth, would become a place of justice and peace where Jews, Christian and Muslims would finally be able to walk together before God.

85. On 4 October 1998, Bethlehem University had celebrated its twenty-fifth anniversary. There were currently 2,050 students at that papal institution, 60 per cent of whom were Muslim. Graduates of the University were being prepared to work effectively within their society to bring the prosperity needed for the security of Israel and the Palestinian people.

The meeting rose at 12.20 p.m.